

HSBC UK Bank plc

Regulatory Capital Instruments 31 December 2024

HSBC UK Bank plc

Main features of regulatory capital instruments and eligible instruments

This document supplements the HSBC UK Bank plc Pillar 3 Disclosures as at 31 December 2024 (the "**Pillar 3 Disclosures**"), available at www.hsbc.com (please follow links to 'Investors', 'Results and announcements', 'All reporting' and 'Subsidiaries').

This document is a disclosure document published as required by, and solely for the purpose of compliance with, Article 437(b) of The PRA Rulebook Disclosure (CRR) Part, to provide a description of the main features of the capital instruments of HSBC UK Bank plc.

The information contained in this document has been compiled in accordance with CRR II (as defined in the Pillar 3 Disclosures) and regulatory guidance published by the UK Prudential Regulatory Authority. Assumptions on the regulatory treatment of the capital instruments described herein under CRR II reflect HSBC UK Bank plc's interpretation of current rules.

Following the end of the transition period following the UK's withdrawal from the EU, any reference herein to EU regulations and directives (including technical standards) should, as applicable, be read as a reference to the UK's version of such regulations and/or directives, as onshored into UK law under the European Union (Withdrawal) Act 2018, and as may be subsequently amended under UK law.

Disclosure in the required format has resulted in simplification and abbreviation of the features of the capital instruments described herein. The information contained in this document is not intended to be a comprehensive description of such capital instruments. No investor or prospective investor in any such capital instruments should rely upon the description contained in this document and HSBC UK Bank plc shall not be liable for any inaccuracy or misstatement contained in this document.

All capital instruments issued by HSBC UK Bank plc and its subsidiaries are held by HSBC Holdings plc. As such no external investors hold an interest in the securities, however the full terms and conditions for all instruments are available on request via Group Investor Relations (investorrelations@hsbc.com).

	<u>Ordinary Shares</u>	<u>Undated Additional Tier 1 Instrument issued 2014 (Callable December 2019 onwards)</u>	<u>Undated Additional Tier 1 Instrument issued 2014 (Callable December 2024 onwards)</u>	<u>Undated Additional Tier 1 Instrument issued 2016 (Callable March 2021 onwards)</u>
1	Issuer	HSBC UK Bank plc	Issued by HSBC Bank plc, and subsequently transferred to HSBC UK Bank Plc on 1 July 2018	Issued by HSBC Bank plc, and subsequently transferred to HSBC UK Bank Plc on 1 July 2018
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	NA	N/A – Internal issuance [9393]	N/A – Internal issuance [9394]
2a	Public or private placement	Private	Private	Private
3	Governing law(s) of the instrument	English Law	English Law	English Law
3a	Contractual recognition of write down and conversion powers of resolution authorities	NA	No	No
	Regulatory treatment			
4	Current treatment taking into account, where applicable, transitional CRR rules	Common Equity Tier 1	Additional Tier 1	Additional Tier 1
5	Post-transitional CRR rules	Common Equity Tier 1	Additional Tier 1	Additional Tier 1
6	Eligible at solo / (sub-) consolidated/ solo & (sub-) consolidated	Solo & Sub-Consolidated	Solo & Sub-Consolidated	Sub-Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Ordinary Shares	Additional Tier 1	Additional Tier 1
8	Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	GBP 0.0500	GBP 1,096	GBP 35
9	Nominal amount of instrument (Currency in million)	GBP 0.0500	GBP 1,096	GBP 40
UK-9a	Issue price	GBP 1.00 per share	100.000%	100.000%
UK-9b	Redemption price	GBP 1.00 per share	100.000%	100.000%
10	Accounting classification	Shareholders' Equity	Shareholders' Equity	Shareholders' Equity
11	Original date of issuance	-	19 December 2014	11 March 2016
12	Perpetual or dated	Perpetual	Perpetual	Perpetual
13	Original maturity date	-	-	-
14	Issuer call subject to prior supervisory approval	-	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	-	19 December 2019 - Redemption at Par Tax and regulatory calls at any time - Par	19 December 2024 - Redemption at Par Tax and regulatory calls at any time - Par
16	Subsequent call dates, if applicable	-	On any quarterly interest payment date after first call date	On any quarterly interest payment date after first call date
	Coupons / dividends			
17	Fixed or floating dividend/coupon	-	Floating	Fixed
18	Coupon rate and any related index	-	Compounded Daily SONIA Rate + 5.1561%	Compounded Daily SONIA Rate + 5.3060%
19	Existence of a dividend stopper	-	No	No
UK-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	-	Fully discretionary	Fully discretionary
UK-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	-	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	-	No	No
22	Noncumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Convertible	Convertible
24	If convertible, conversion trigger (s)	-	Triggers to statutory bail-in power and mandatory write-down/conversion of capital instruments power under UK Banking Act 2009 – UK Bank of England/Prudential Regulatory Authority	Triggers to statutory bail-in power and mandatory write-down/conversion of capital instruments power under UK Banking Act 2009 – UK Bank of England/Prudential Regulatory Authority
25	If convertible, fully or partially	-	Always convert fully	Always convert fully
26	If convertible, conversion rate	-	To be determined at conversion	To be determined at conversion
27	If convertible, mandatory or optional conversion	-	Mandatory upon satisfaction of certain conditions	Mandatory upon satisfaction of certain conditions
28	If convertible, specify instrument type convertible into	-	Common Equity Tier 1	Common Equity Tier 1
29	If convertible, specify issuer of instrument it converts into	-	HSBC UK Bank plc	HSBC UK Bank plc
30	Write-down features	-	Yes	Yes
31	If write-down, write-down trigger(s)	-	Contractual: Either HSBC UK Solo or Consolidated Common Equity Tier 1 Ratio as of any date falls below 7.0%. Statutory: Triggers to bail-in power and mandatory write-down/conversion of capital instruments power under UK Banking Act 2009 – UK Bank of England/Prudential Regulatory Authority.	Contractual: Either HSBC UK Solo or Consolidated Common Equity Tier 1 Ratio as of any date falls below 7.0%. Statutory: Triggers to bail-in power and mandatory write-down/conversion of capital instruments power under UK Banking Act 2009 – UK Bank of England/Prudential Regulatory Authority.
32	If write-down, full or partial	-	Full	Full
33	If write-down, permanent or temporary	-	Permanent	Permanent
34	If temporary write-down, description of write-up mechanism	-	NA	NA
34a	Type of subordination (only for eligible liabilities)	-	NA	NA
UK-34b	Ranking of the instrument in normal insolvency proceedings	1 - Ordinary Shares	2 - AT1 instruments	2 - AT1 instruments
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Immediately subordinate to Additional Tier 1 instruments	Immediately subordinate to Tier 2 instruments	Immediately subordinate to Tier 2 instruments
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	-	-	-
37a	Link to the full term and conditions of the instrument (signposting)	Available upon request	Available upon request	Available upon request

		<u>Undated Additional Tier 1 Instrument issued 2017 (Callable December 2022 onwards)</u>	<u>GBP 1,000m Subordinated Loan 2030</u>	<u>GBP 650m Subordinated Loan 2033</u>	<u>GBP 79m Subordinated Loan 2031</u>
1	Issuer	Marks and Spencer Financial Services plc (MSFS)	Issued by HSBC Bank plc and subsequently transferred to HSBC UK Bank Plc on 1 July 2018	Issued by HSBC Bank plc and subsequently transferred to HSBC UK Bank Plc on 1 July 2018	HSBC UK Bank Plc
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	N/A – Internal issuance [9345]	N/A - Internal issuance [9371]	N/A - Internal issuance [9372]	N/A - Internal issuance [9519]
2a	Public or private placement	Private	Private	Private	Private
3	Governing law(s) of the instrument	English Law	English Law	English Law	English Law
3a	Contractual recognition of write down and conversion powers of resolution authorities	No	No	No	No
	Regulatory treatment				
4	Current treatment taking into account, where applicable, transitional CRR rules	Additional Tier 1	Tier 2	Tier 2	Tier 2
5	Post-transitional CRR rules	Additional Tier 1	Tier 2	Tier 2	Tier 2
6	Eligible at solo / (sub-) consolidated/ solo & (sub-) consolidated	Sub-Consolidated	Solo & Sub-Consolidated	Solo & Sub-Consolidated	Solo & Sub-Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Additional Tier 1	Tier 2	Tier 2	Tier 2
8	Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	GBP 18	GBP 1,000	GBP 650	GBP 79
9	Nominal amount of instrument (Currency in million)	GBP 20	GBP 1,000	GBP 650	GBP 79
UK-9a	Issue price	100.000%	100.000%	100.000%	100.000%
UK-9b	Redemption price	100.000%	100.000%	100.000%	100.000%
10	Accounting classification	Shareholders' Equity	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost
11	Original date of issuance	08 December 2017	26 June 2018	26 June 2018	11 March 2021
12	Perpetual or dated	Perpetual	Dated	Dated	Dated
13	Original maturity date	-	01 July 2030	11 September 2033	11 March 2031
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	8 December 2022 - Redemption at Par Tax and regulatory calls at any time - Par	Call Date 1 July 2025 at Par	Call Date 11 September 2028 at Par	Call Date 11 March 2026 at Par /Tax or Capital Disqualification Event at any time at Par
16	Subsequent call dates, if applicable	On any annual interest payment date after first call date	On any quarterly interest payment date after first call date	On any quarterly interest payment date after first call date	On any annual interest payment date after first call date
	Coupons / dividends				
17	Fixed or floating dividend/coupon	Fixed	Floating	Floating	Fixed to floating
18	Coupon rate and any related index	5.7500%	Compounded Daily SONIA Rate + 1.8878%	Compounded Daily SONIA Rate + 2.1434%	From 11 March 2026 rate changes from fixed 2.125% to Annual Benchmark Gilt Rate + 1.900%, resettable on 11 March 2027 and on each interest payment date after the second reset date
19	Existence of a dividend stopper	No	No	No	No
UK-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	Mandatory	Mandatory	Mandatory
UK-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No	No
22	Noncumulative or cumulative	Non-cumulative	Cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Convertible	Convertible	Convertible	Convertible
24	If convertible, conversion trigger (s)	Triggers to statutory bail-in power and mandatory write-down/conversion of capital instruments power under UK Banking Act 2009 – UK Bank of England/Prudential Regulatory Authority	Triggers to statutory bail-in power and mandatory write-down/conversion of capital instruments power under UK Banking Act 2009 – UK Bank of England/Prudential Regulatory Authority	Triggers to statutory bail-in power and mandatory write-down/conversion of capital instruments power under UK Banking Act 2009 – UK Bank of England/Prudential Regulatory Authority	Triggers to statutory bail-in power and mandatory write-down/conversion of capital instruments power under UK Banking Act 2009 – UK Bank of England/Prudential Regulatory Authority
25	If convertible, fully or partially	Always convert fully	May convert fully or partially	May convert fully or partially	May convert fully or partially
26	If convertible, conversion rate	To be determined at conversion	To be determined at conversion	To be determined at conversion	To be determined at conversion
27	If convertible, mandatory or optional conversion	Mandatory upon satisfaction of certain conditions	Mandatory upon satisfaction of certain conditions	Mandatory upon satisfaction of certain conditions	Mandatory upon satisfaction of certain conditions
28	If convertible, specify instrument type convertible into	Common Equity Tier 1	Common Equity Tier 1	Common Equity Tier 1	Common Equity Tier 1
29	If convertible, specify issuer of instrument it converts into	Marks and Spencer Financial Services plc	HSBC UK Bank plc	HSBC UK Bank plc	HSBC UK Bank plc
30	Write-down features	Yes	Yes	Yes	Yes
31	If write-down, write-down trigger(s)	Contractual: Either MSFS or HSBC UK Consolidated Common Equity Tier 1 Ratio falls below 7.0%. Statutory: Triggers to bail-in power and mandatory write-down/conversion of capital instruments power under UK Banking Act 2009 – UK Bank of England/Prudential Regulatory Authority.	Triggers to statutory bail-in power and mandatory write-down/conversion of capital instruments power under UK Banking Act 2009 – UK Bank of England/Prudential Regulatory Authority	Triggers to statutory bail-in power and mandatory write-down/conversion of capital instruments power under UK Banking Act 2009 – UK Bank of England/Prudential Regulatory Authority	Triggers to statutory bail-in power and mandatory write-down/conversion of capital instruments power under UK Banking Act 2009 – UK Bank of England/Prudential Regulatory Authority
32	If write-down, full or partial	Full	May be written down partially	May be written down partially	May be written down partially
33	If write-down, permanent or temporary	Permanent	Permanent	Permanent	Permanent
34	If temporary write-down, description of write-up mechanism	NA	NA	NA	NA
34a	Type of subordination (only for eligible liabilities)	NA	NA	NA	NA
UK-34b	Ranking of the instrument in normal insolvency proceedings	2 - AT1 instruments	3 - Subordinated notes	3 - Subordinated notes	3 - Subordinated notes
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Immediately subordinate to Tier 2 instruments	Immediately subordinate to Senior Creditors	Immediately subordinate to Senior Creditors	Immediately subordinate to Senior Creditors
36	Non-compliant transitioned features	No	No	No	No
37	If yes, specify non-compliant features	-	-	NA	NA
37a	Link to the full term and conditions of the instrument (signposting)	Available upon request	Available upon request	Available upon request	Available upon request

	<u>GBP 550m Subordinated Loan 2033</u>	<u>USD 840m Subordinated Loan 2033</u>	<u>GBP 250m Subordinated Loan 2033</u>	
1	Issuer	Issued by HSBC UK Bank Plc on 3 July 2023	Issued by HSBC UK Bank Plc on 3 July 2023	Issued by HSBC UK Bank Plc on 15 December 2023
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	N/A - Internal issuance [9605]	N/A - Internal issuance [9606]	N/A - Internal issuance [9625]
2a	Public or private placement	Private	Private	Private
3	Governing law(s) of the instrument	English Law	English Law	English Law
3a	Contractual recognition of write down and conversion powers of resolution authorities	No	No	No
	Regulatory treatment			
4	Current treatment taking into account, where applicable, transitional CRR rules	Tier 2	Tier 2	Tier 2
5	Post-transitional CRR rules	Tier 2	Tier 2	Tier 2
6	Eligible at solo / (sub-) consolidated/ solo & (sub-) consolidated	Solo & Sub-Consolidated	Solo & Sub-Consolidated	Solo & Sub-Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Tier 2	Tier 2	Tier 2
8	Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	GBP 548	GBP 668	GBP 248
9	Nominal amount of instrument (Currency in million)	GBP 550	USD 840 (GBP 670)	GBP 250
UK-9a	Issue price	100.000%	100.000%	100.000%
UK-9b	Redemption price	100.000%	100.000%	100.000%
10	Accounting classification	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost
11	Original date of issuance	03 July 2023	03 July 2023	15 December 2023
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	03 July 2033	03 July 2033	15 December 2033
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	Call Date 03 July 2028 at Par / Tax or Capital Disqualification Event at any time at Par	Call Date 3 July 2028 at Par / Tax or Capital Disqualification event at any time at Par	Call Date 15 December 2028 at Par / Tax or Capital Disqualification event at any time at Par
16	Subsequent call dates, if applicable	On any annual interest payment date after first call date	On each annual interest payment date after first call date	On each annual interest payment date after first call date
	Coupons / dividends			
17	Fixed or floating dividend/coupon	Floating	Floating	Fixed to floating
18	Coupon rate and any related index	Compounded Daily SONIA Rate + 3.3700%	SOFR + 3.0300%	From 15 December 2028 rate changes from fixed 6.896% to Compounded Daily SONIA Rate + 2.99%
19	Existence of a dividend stopper	No	No	No
UK-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory
UK-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Noncumulative or cumulative	Cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Convertible	Convertible	Convertible
24	If convertible, conversion trigger (s)	Triggers to statutory bail-in power and mandatory write-down/conversion of capital instruments power under UK Banking Act 2009 – UK Bank of England/Prudential Regulatory Authority	Triggers to statutory bail-in power and mandatory write-down/conversion of capital instruments power under UK Banking Act 2009 – UK Bank of England/Prudential Regulatory Authority	Triggers to statutory bail-in power and mandatory write-down/conversion of capital instruments power under UK Banking Act 2009 – UK Bank of England/Prudential Regulatory Authority
25	If convertible, fully or partially	May convert fully or partially	May convert fully or partially	May convert fully or partially
26	If convertible, conversion rate	To be determined at conversion	To be determined at conversion	To be determined at conversion
27	If convertible, mandatory or optional conversion	Mandatory upon satisfaction of certain conditions	Mandatory upon satisfaction of certain conditions	Mandatory upon satisfaction of certain conditions
28	If convertible, specify instrument type convertible into	Common Equity Tier 1	Common Equity Tier 1	Common Equity Tier 1
29	If convertible, specify issuer of instrument it converts into	HSBC UK Bank plc	HSBC UK Bank plc	HSBC UK Bank plc
30	Write-down features	Yes	Yes	Yes
31	If write-down, write-down trigger(s)	Triggers to statutory bail-in power and mandatory write-down/conversion of capital instruments power under UK Banking Act 2009 – UK Bank of England/Prudential Regulatory Authority	Triggers to statutory bail-in power and mandatory write-down/conversion of capital instruments power under UK Banking Act 2009 – UK Bank of England/Prudential Regulatory Authority	Triggers to statutory bail-in power and mandatory write-down/conversion of capital instruments power under UK Banking Act 2009 – UK Bank of England/Prudential Regulatory Authority
32	If write-down, full or partial	May be written down partially	May be written down partially	May be written down partially
33	If write-down, permanent or temporary	Permanent	Permanent	Permanent
34	If temporary write-down, description of write-up mechanism	NA	NA	NA
34a	Type of subordination (only for eligible liabilities)	NA	NA	NA
UK-34b	Ranking of the instrument in normal insolvency proceedings	3 - Subordinated notes	3 - Subordinated notes	3 - Subordinated notes
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Immediately subordinate to Senior Creditors	Immediately subordinate to Senior Creditors	Immediately subordinate to Senior Creditors
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	NA	-	-
37a	Link to the full term and conditions of the instrument (signposting)	Available upon request	Available upon request	Available upon request

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